

INFORMATION REPORT

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SUBJECT Personnel and Production at CKD (Cesko-moravska Kolben - Danek); Plans for Decentralization

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[Redacted]

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Heavy Mechanical Eng. Plants

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1. CKD (Ceskomoravska Kolben-Danek), National Corporation, consists of factories at Liben, Vysocany, Blansko, Modrany (two), Slany, Decin, and Ceska Lira, and of additional smaller factories which had been confiscated and nationalized.

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2. [Redacted]

3. Production activities at CKD factories are as follows:

- a. It is rumored that preparations for the construction of a new heavy tank, heavier than any of Russian make, are under way in the secret military section.
- b. The Liben factory has delivered fifty tanks to Ethiopia. It is also engaged in producing ten locomotives with tenders for shipment to Turkey.
- c. The Vysocany factory is producing mainly electric motors.

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- d. At the Blansko factory the largest size of castings for turbines, machinery for alcohol distilleries and sugar refineries, etc. is being produced.
- e. It is reported that production is beginning at Zbrojovka Brno on a new heavy air-cooled machine gun, having a much greater muzzle velocity than any previous machine gun. The prototype of this gun was tested this year.
4. Two employees of CKD (the head of the standardization section who is a member of the People's Party, and a member of the "provozni" committee who is a Communist) have confirmed the fact that preparations are being made for decentralization of the existing great national corporations, such as CKD, Skoda, and Zbrojovka. Ultimately, each factory will be an independent undertaking with its own production management. This plan originated with the KSC. Work on such decentralization is already proceeding at a feverish pace. From the technical angle, the person in charge of these preparations is the director of the firm involved; from the personnel point of view, this individual is the "cadre trustee" (kadrový duvernik). The latter is appointed by the KSC and must not have any family bourgeois taint.
5. The purpose of this decentralization is to obtain easier control of the working class, since it has been observed that large groups of workers express their discontent and aggressiveness more often than do smaller groups. By decentralization the Communists promise greater productivity, although some experts believe that decentralization will result in harmful effects such as extension of clerical personnel, increased attendance at meetings, and uncontrolled purchasing facilities. Decentralization contradicts, of course, the Communist theory of creating huge combines with centralization of production, of purchases and sales, and of planning. It is obvious that this economic concept is to be subordinated to politics in an effort to counteract any tendency of the working class to be rebellious and aggressive.

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